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WESTERN DISTRICT OF WASHINGTON  
DEPUTY



09-CV-01516-CMP

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

EAST OF CASCADES, INC., a Washington  
State Corporation, d/b/a J and Y Investment,  
LLC, a Delaware Limited Liability Company;  
JIN H. LEE and TAE IN LEE-SONG,  
husband and wife, and the marital community  
comprised thereof; YONG C. KANG and  
KEUM S. KANG, husband and wife, and the  
marital community comprised thereof,

Plaintiffs,

v.

FEDERAL DEPOSIT INSURANCE  
CORPORATION,

Defendant.

NO.:

**C09-1516** Rem

COMPLAINT FOR WRONGFUL  
DISALLOWANCE OF CLAIMS

**JURY TRIAL DEMANDED**

**COMPLAINT**

Plaintiffs, East of Cascades, Inc., d/b/a J and Y Investment, LLC, Jin H. Lee and Tae In  
Lee-Song, Yong C. Kang and Keum S. Kang, allege as follows:

**PARTIES**

1. Plaintiff East of Cascades, Inc., at all times herein mentioned, was and is a  
Washington state corporation with all license fees paid to and administrative documents current

COMPLAINT FOR WRONGFUL DISALLOWANCE OF CLAIMS - 1

LAW OFFICES  
LESLIE CLAY TERRY, III  
A PROFESSIONAL SERVICE CORPORATION  
8420 DAYTON AVENUE NORTH  
SEATTLE, WA 98103

(206) 547-1000  
FAX (206) 297-5990

Sum. TSS. SFA 29938

1 with the Washington State Secretary of State, Corporation Division. Plaintiff East of Cascades,  
2 Inc., at all times herein mention, was and is doing business as J and Y Investment, LLC, a  
3 Delaware limited liability company, with all license fees paid to and administrative documents  
4 current with the Delaware State Secretary of State, Corporation Division, and registration as a  
5 foreign LLC with the Washington State Secretary of State, Corporate Division.

6 2. Plaintiffs Jin H. Lee and Tae In Lee-Song, at all times herein mentioned, were and  
7 are husband and wife, residing as a marital community within the City of Irvine, Orange County,  
8 California.

9 3. Plaintiffs Yong C. Kang and Keum S. Kang, at all times herein mentioned, were  
10 and are husband and wife, residing as a marital community within the City of Newcastle, King  
11 County, Washington.

12 4. Defendant Federal Deposit Insurance Corporation ("FDIC") is the agency of the  
13 United States government charged by law with, among other duties, administering the Federal  
14 Deposit Insurance Act and the federal bank deposit insurance system. The FDIC is sued in its  
15 capacity as Receiver of Westsound Bank, Bremerton, Kitsap County, Washington, which was  
16 declared insolvent by the State of Washington, Department of Financial Institutions on May 8,  
17 2009.

### 18 JURISDICTION AND VENUE

19 6. This action arises under the Constitution and laws of the United States of  
20 America, including, without limitation, the Federal Deposit Insurance Act, 12 U.S.C. §§ 1811 *et*  
21 *seq.*, as amended ("FDI Act"). Plaintiffs filed an administrative claim against the receivership  
22 under the provisions of the FDI Act, and this action was commenced within 60 days of the  
23 disallowance of that claim. This Court therefore has jurisdiction over the subject matter of this  
24  
25

COMPLAINT FOR WRONGFUL DISALLOWANCE OF CLAIMS - 2

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1 action pursuant to 12 U.S.C. §§ 1819(b)(2)(A) and 1821(d)(6), and 28 U.S.C. § 1331.

2 7. Venue is proper in this Court under 12 U.S.C. § 1821(d)(6) and 28 U.S.C. § 1391.

3 **BACKGROUND**

4 8. On May 8, 2009, the Washington Department of Financial Institutions (“WDFI”)  
5 took possession of Westsound Bank of Bremerton, citing severe asset problems, losses of a  
6 significant nature, and inadequate capital.

7 9. Immediately upon taking possession of Westsound Bank, WDFI appointed FDIC  
8 as the Receiver, effective May 8, 2009.

9 10. Prior to the loan being requested or approved by Westsound Bank, Plaintiffs Kang  
10 and Lee had, from 1998, periodically purchased stock certificates in Westsound Bank, prior to a  
11 public offering in December 2006. The stock price was approximately \$20.00 per share at the  
12 time of each purchase, and subsequently was split at 6.129, converting each share of stock into  
13 6.129 shares of stock.

14 11. At the time of the public offering, each share of stock was valued at \$16.50.

15 12. Plaintiffs Kang purchased 2,865 shares of stock, which increased to  
16 approximately 17,559 shares of stock at the time of the split, and was valued at approximately  
17 \$289,733.00 at the time of the public offering.

18 13. Plaintiffs Lee purchased 4,000 shares of stock, which increased to approximately  
19 24,516 shares of stock at the time of the split, and was valued at approximately \$404,514.00 at  
20 the time of the public offering.

21 14. Plaintiffs Kang and Lee together had 42,075 Westsound Bank Stock certificates at  
22 the time of the public offering in December 2006. The combined value of Plaintiffs Kang and  
23 Lee’s shares, valued at \$16.50 a share, came to approximately \$694,237.00.  
24  
25

COMPLAINT FOR WRONGFUL DISALLOWANCE OF CLAIMS - 3

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1           15. Plaintiff East of Cascades, Inc., doing business as J and Y Investment, LLC  
2 ("J and Y Investment"), is the owner of the Federal Way Center Office Building, a class A office  
3 building located at 2505 South 320<sup>th</sup> Street, Federal Way, King County, Washington.

4           16. On or about May 2005, Westsound Bank requested and received from Plaintiff  
5 J and Y Investment a leasehold interest of approximately 2,900 square feet of prime office space  
6 on the first floor of Plaintiff's building. In August 2005, Westsound Bank agreed to and  
7 approved a business loan request by Plaintiffs in the amount of \$1,500,000.00, at a 7.5% loan  
8 rate for a period of three years. Subsequently, an extension of the loan was agreed upon in  
9 November 2008, at a loan rate of 7% per annum, due August 1, 2011.  
10

11           17. As a requirement demanded and set forth in a commitment letter, dated August 2,  
12 2005, authored by Westsound Bank for a loan to Plaintiff J and Y Investment, whose members  
13 and managers were Plaintiffs Kang and Lee, Plaintiffs Kang and Lee were required to secure the  
14 loan obligation by an assignment of their entire Westsound Bank Stock Certificates. Such  
15 assignment was by relinquishment of physical possession of such Certificates into the personal  
16 control of Westsound Bank, for the entire duration of the loan. A true and correct copy of the  
17 commitment letter, dated August 2, 2005, is attached hereto as Exhibit A.

18           18. As a further requirement demanded and set forth in the commitment letter,  
19 Westsound Bank demanded that the lease agreement between it and Plaintiff J and Y Investment  
20 be modified, before the loan closing, restricting Plaintiff from agreeing to permit any other  
21 financial lenders of any type (including banks, mortgage companies, finance companies) from  
22 displaying any signage on the exterior of Plaintiff's building or upon any part of the real property  
23 located at the building address.  
24

25           19. The conditional loan commitment was accepted by Plaintiffs in order to obtain the  
COMPLAINT FOR WRONGFUL DISALLOWANCE OF CLAIMS - 4

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1 business loan, which Plaintiffs required for their business purpose.

2 20. By February 2007, Westsound Bank stock was at approximately \$20.24 per share,  
3 representing a substantial increase and capital gain in favor of Plaintiffs Kang and Lee. Due to  
4 the "negative pledge" of their Westsound Bank stock to collateralize the business loan (which  
5 was in addition to security interests by deeds of trust on the personal residences of Plaintiffs  
6 Kang and Lee), both Plaintiffs were unable to request, demand, receive, sell, liquidate, or control  
7 their individual shares of stock to take advantage of the increased market value of their  
8 individual stock certificates.  
9

10 21. When Westsound Bank began having financial problems in late 2007 and 2008,  
11 Plaintiffs were unable to request, demand, receive, sell, liquidate, or control their individual  
12 shares of stock to mitigate their potential losses by the drop in value of their individual stock  
13 certificates. By the date that Westsound Bank was seized by both state and federal regulators, its  
14 shares of stock closed at approximately \$0.29 per share.

15 22. At a time subsequent to the appointment of the Receiver, Plaintiffs were informed  
16 that the loan documents actually signed by Westsound Bank and required to be signed by all  
17 Plaintiffs did not include a provision, clause, restriction, or mandate for the original Westsound  
18 Bank Stock Certificates to remain in the physical possession of Westsound Bank, as had been  
19 made a condition specified in the commitment letter.  
20

21 23. Plaintiffs were not aware that Westsound Bank had omitted the pledge  
22 requirements of their Westsound Bank Stock Certificates as a pledged collateral for or as a  
23 condition of the loan. Plaintiffs had a reasonable belief, based upon the written commitment  
24 letter which Plaintiffs signed, that Plaintiffs Kang and Lee were forbidden from selling,  
25 liquidating, or having the stock certificates returned to them. Plaintiffs have no knowledge for

COMPLAINT FOR WRONGFUL DISALLOWANCE OF CLAIMS - 5

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1 the reason such pledge requirement had been omitted from the final loan documents.

2 24. Under the guidelines of FDIC, all claims against Westsound Bank are required to  
3 be made under a Proof of Claim Form and submitted in a timely manner.

4 25. On June 29, 2009, the Claims Agent of the FDIC sent a letter to Plaintiffs  
5 demanding a Proof of Claim be filed no later than August 12, 2009 ("Claims Bar Date"). Failure  
6 to file a claim on or before Claims Bar Date would result in the Receiver disallowing Plaintiffs  
7 claim.

8 26. In compliance with the mandated deadline, Plaintiffs Kang and Lee filed claims  
9 before the Claims Bar Date. Plaintiffs Lee filed a Claim, with supporting documentation, for  
10 financial losses totaling \$503,836.00, plus accrued interest. A true and correct copy of the Claim  
11 is attached hereto as Exhibit B. Plaintiffs Kang filed a Claim, with supporting documentation,  
12 for financial losses totaling \$368,799.00, plus accrued interest. A true and correct copy of the  
13 Claim is attached hereto as Exhibit C.

14 27. In further compliance with the mandated deadline, Plaintiff J and Y Investment  
15 filed its claim before the Claims Bar Date. Plaintiff J and Y Investment filed a Claim, with  
16 supporting documentation, for financial losses for treble damages, attorney fees, and costs, under  
17 12 U.S.C § 1975, pursuant to the Bank Holding Company Act, Anti-tying Statute, 12 U.S.C §  
18 1972 (1)(C) and (D). The Claim specified Westsound Bank tying the providing of property  
19 rights and landlord services strictly to the Bank as a condition of making a loan to Plaintiff J and  
20 Y Investment. A true and correct copy of the Claim is attached hereto as Exhibit D.

21 28. On or about August 24, 2009, a letter was received by Plaintiffs from the FDIC,  
22 dated August 24, 2009 ("Disallowance Letter") which disallowed Plaintiffs' claims in their  
23 entirety. The reason provided for the disallowance was that the claims were not proven to  
24  
25

COMPLAINT FOR WRONGFUL DISALLOWANCE OF CLAIMS - 6

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1 acceptability of the Receivership. No other or further reason was provided by the Plaintiffs.  
2 Under the terms of the Disallowance Letter, Plaintiffs were informed that if a lawsuit was not  
3 filed within 60 days of August 24, 2009 regarding the disallowance of their claims, the claims  
4 would be barred. The Disallowance Letter further provided that the lawsuit filed by Plaintiffs  
5 was required to be commenced either in the United States District Court for the District within  
6 which Westsound Bank's principal place of business was located, or the United States District  
7 Court for the District of Columbia. A true and correct copy of the Disallowance Letter, dated  
8 August 24, 2009, is attached hereto as Exhibit E.  
9

10 29. Plaintiffs disagreed with the disallowance of their claim and, accordingly,  
11 Plaintiffs have filed this action.

## 12 **CLAIM FOR RELIEF**

### 13 **COUNT I**

#### 14 **PLAINTIFFS YONG C. KANG and KEUM S. KANG**

15 30. Plaintiffs Kang incorporate the allegations and averments within Paragraphs 1  
16 through 29 above as though fully set forth herein.

17 31. Under 12 U.S.C. §1821(d)(6)(A), this Court has de novo jurisdiction to consider  
18 Plaintiffs' claim. See, e.g., Freeman v. FDIC, 56 F.3d 1394, 1400 (D.C. Cir. 1995) ("[U]nder  
19 section 1821(d)(6) [claimant] had recourse to de novo a judicial review of the FDIC's denial of  
20 [their] claim."); Benjamin Franklin Shareholders' Litig. Fund v. FDIC, 501 F.Supp. 2d 103, 106  
21 (D.D.C. 2007) ("[T]his court reviews de novo claims filed with, and processed by the FDIC  
22 under its administrative claims process.") (citing Freeman v. FDIC, 56 F.3d 1394, 1400 (D.C.  
23 Cir. 1995)).

24 32. Plaintiffs Kang's claim is a valid and proven claim against the Receiver and the  
25

COMPLAINT FOR WRONGFUL DISALLOWANCE OF CLAIMS - 7

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FDIC is obligated to pay the claim (subject to and in accordance with 12 U.S.C. §1821(d)(11)).

**COUNT II**  
**PLAINTIFFS JIN H. LEE and TAE IN LEE-SONG**

33. Plaintiffs Lee incorporate the allegations and averments within Paragraphs 1 through 29 above as though fully set forth herein.

34. Under 12 U.S.C. §1821(d)(6)(A), this Court has de novo jurisdiction to consider Plaintiffs' claim. See, e.g., Freeman v. FDIC, 56 F.3d 1394, 1400 (D.C. Cir. 1995) ("[U]nder section 1821(d)(6) [claimant] had recourse to de novo a judicial review of the FDIC's denial of [their] claim."); Benjamin Franklin Shareholders' Litig. Fund v. FDIC, 501 F.Supp. 2d 103, 106 (D.D.C. 2007) ("[T]his court reviews de novo claims filed with, and processed by the FDIC under its administrative claims process.") (citing Freeman v. FDIC, 56 F.3d 1394, 1400 (D.C. Cir. 1995)).

35. Plaintiffs Lee's claim is a valid and proven claim against the Receiver and the FDIC is obligated to pay the claim (subject to and in accordance with 12 U.S.C. §1821(d)(11)).

**COUNT III**  
**PLAINTIFF EAST OF CASCADES, INC., d/b/a J AND Y INVESTMENT, LLC**

36. Plaintiff East of Cascades, Inc., d/b/a J and Y Investment, LLC, incorporates the allegations and averments within Paragraphs 1 through 29 above as though fully set forth herein.

37. Under 12 U.S.C. §1821(d)(6)(A), this Court has de novo jurisdiction to consider Plaintiff's claim. See, e.g., Freeman v. FDIC, 56 F.3d 1394, 1400 (D.C. Cir. 1995) ("[U]nder section 1821(d)(6) [claimant] had recourse to de novo a judicial review of the FDIC's denial of [their] claim."); Benjamin Franklin Shareholders' Litig. Fund v. FDIC, 501 F.Supp. 2d 103, 106 (D.D.C. 2007) ("[T]his court reviews de novo claims filed with, and processed by the FDIC under its administrative claims process.") (citing Freeman v. FDIC, 56 F.3d 1394, 1400 (D.C.

COMPLAINT FOR WRONGFUL DISALLOWANCE OF CLAIMS - 8

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1 Cir. 1995)).

2 38. Plaintiff East of Cascades' claim is a valid and proven claim against the Receiver  
3 and the FDIC is obligated to pay the claim (subject to and in accordance with 12 U.S.C.  
4 §1821(d)(11)).

5 **PRAYER FOR RELIEF**

6 WHEREFORE, Plaintiffs pray and respectfully request this Court to grant the following  
7 relief.

8 A. For an Order of this Court declaring the claims of Plaintiffs Kang to be valid and  
9 proven against the Receivership;

10 B. For an Order of this Court declaring the claims of Plaintiffs Lee to be valid and  
11 proven against the Receivership;

12 C. For an Order of this Court declaring the claims of Plaintiff East of Cascades, Inc.,  
13 d/b/a J and Y Investment, LLC, to be valid and proven against the Receivership;

14 D. For an Order of this Court directing FDIC to pay all Plaintiffs under their  
15 respective claims from assets of the Receivership in accordance with 12 U.S.C. §1821(d)(11) and  
16 other authority;

17 E. For an Order of this Court declaring that the FDIC's August 24, 2009  
18 disallowance of the claim of each Plaintiff to be void, and to issue an order that the parties  
19 should proceed as if such disallowance had never occurred;

20 F. For an Order of this Court awarding Plaintiffs their costs and attorney fees as may  
21 be permitted by law; and

22 G. For an Order of this Court awarding Plaintiffs such other and further relief as may  
23 be just and equitable.  
24  
25

COMPLAINT FOR WRONGFUL DISALLOWANCE OF CLAIMS - 9

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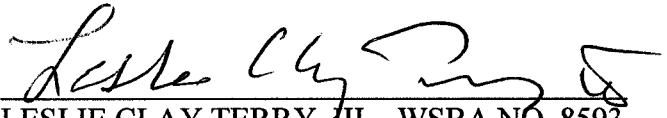
♦  
(206) 547-1000  
FAX (206) 297-5990

**DEMAND FOR JURY TRIAL**

Plaintiffs, by and through their attorney, hereby demands a trial by jury on the claims asserted herein pursuant to Fed. R. Civ. P. 38.

Dated this 23<sup>rd</sup> day of October, 2009.

LAW OFFICES OF LESLIE CLAY TERRY, III



LESLIE CLAY TERRY, III – WSBA NO. 8593  
Attorney for Plaintiffs

Law Offices of Leslie Clay Terry, III P.S.  
8420 Dayton Avenue North  
Seattle, WA 98103  
(206) 547-1000 Telephone  
(206) 297-5990 Fax  
[info@clayterrylaw.com](mailto:info@clayterrylaw.com)

# **EXHIBIT A**



**WESTSOUND BANK**  
 NEW HORIZONS IN BANKING

August 2, 2005

Mr. Yong C. Kang  
 Mr. Jin H. Lee  
 J & Y Investments, LLC  
 2505 South 320<sup>th</sup> St.  
 Federal Way, WA 98003

VIA FAX (253) 237-5009

**RE: Loan for payoff of assumption balance and to meet reserve requirements**

Gentlemen;

We are pleased to inform you that Westsound Bank has approved your request for the loan request noted above.

Please note the following terms and conditions of the Banks' approval. They are:

<b>Use of Funds:</b>	Payoff Assumption Balance	\$1,000,000.00
	<u>Establish Reserve Requirements</u>	<u>500,000.00</u>
	<b>Total</b>	<b>\$1,500,000.00</b>

**Borrower Equity:** Not Applicable

**Loan Amount:** \$1,500,000.00 (Multiple Advance)

**Loan Type:** Commercial Loan

**Loan Rate:** 7.25%, or ( set at WSJP + 1.00%, at the time of loan closing)

**Rate Adjustment:** None

**Term:** Three (3) years

**Amortization:** Twenty Five (25) years

**Pre-Payment  
 Penalty:** None

**Page 2 of 3 (Commitment Letter to J & Y Investments, LLC 08/02/05)**

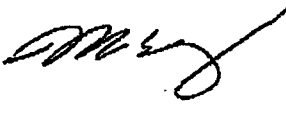
- Repayment:** Equal monthly payments of \$10,843.00, principal including interest, with a balloon at maturity.
- Fees:**
- 1) 1.0% Loan Origination Fee, on the total loan commitment
  - 2) Other fees, as may be applicable (i.e.: title, appraisal, recording fees, title insurance, etc.)
- Collateral:**
- 1) 2nd Deed(s) of Trust on:
    - A) Personal home of Yong C. Kang, located at 13714 SE 75<sup>th</sup> St., Newcastle, WA
    - B) Personal Home of Jin H. Lee, located at 50 New Dawn, Irvine, CA
  - 2) Agreement of "Negative Pledge" of:
    - A) 2,865 Shares of Westsound Bank stock, owned by Yong C. Kang and/or family
    - B) 4,000 Shares of Westsound Bank stock, owned by Jin H. Lee and/or family
- Conditions:**
- 1) The original Westsound Bank Stock Certificates, owned by each party are to remain in the physical possession of Westsound Bank, for the duration of the loan.
  - 2) The Lease Agreement between Westsound Bank and J & Y Investments, LLC, is to be modified, before loan closing, such that the Landlord/ Owners agree to not allow any other Lenders of any type (bank, mortgage, finance, pay day, pawn, etc.) to display signage on the exterior of the building, nor on any part of the property located at 2505 South 320<sup>th</sup> St., Federal Way, WA.  
  
With, the exception of signage subject to the above exclusions, which may already be in place.
  - 3) The prior Commitment Letter issued by Westsound Bank, in the amount of \$1,500,000.00 and to be secured by the Federal Way Center, is hereby rescinded.
  - 4) This Commitment Letter shall expire, if not executed by 08/16/05.
  - 5) This Loan Commitment shall expire, if not closed within 90 days of execution of the Loan Commitment Letter.

Page 3 of 3 (Commitment Letter to J & Y Investments, LLC 08/02/05)

We are pleased to present this conditional loan commitment to you. If you have any questions concerning the terms presented in this letter, please call me at 360-405-1200 (Office) or 360-908-4179 (Cell).

We appreciate the opportunity to provide our banking services to you.

Sincerely,

DAVID K. JOHNSON by 

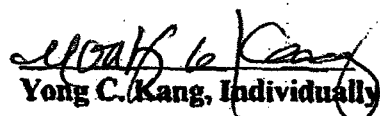
David K. Johnson  
President and CEO

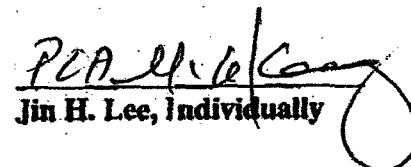
Agreed to and accepted this \_\_\_\_ day of August, 2005

J & Y Investments, LLC

  
Yong C. Kang, Member

POA   
Jin H. Lee, Member

  
Yong C. Kang, Individually

POA   
Jin H. Lee, Individually

cc: customer file

# **EXHIBIT B**



## Federal Deposit Insurance Corporation as Receiver for:

10060 - WESTSOUND BANK BREMERTON, WA

(Name of Bank/Financial Institution and Location)

## PROOF OF CLAIM

SSN/Tax ID # (1) 603-38-7787The undersigned, (2) JIN H. LEE

(Name of person making the claim)

says that the WESTSOUND BANK now in liquidation is

(Name of Bank/Financial Institution)

justly indebted to (3) East Of Cascades in the sum of

(Individual/Joint/Corporation/Partnership/Firm/Agency)

(4) \$ 503,836.

Dollars upon the following Claim:

	Description of (invoice) claim:	Liability Number	Amount of Claim
C L A I M S	(5) <u>SEE ATTACHMENTS</u>	<u>500000416-000</u>	<u>\$ 503,836</u>
		Total Claim: (6)	

The undersigned further states that he/she makes this claim on behalf of

(7) East Of Cascades

that no part of said debt has been paid, that

(8) East Of Cascades / JIN H. LEE

(Individual/Joint/Corporation/Partnership/Firm/Agency)

has given no endorsement or assignment of the same or any part thereof, and that there is no set-off or counterclaim, or other legal or equitable defense to said claim or any part thereof.

NAME (9) YONG C. KANG

(Signature of Person making the Claim)

PRESIDENT

(Title)

FIRM

EAST OF CASCADES INC

(If applicable)

ADDRESS (10) 13714 SE 75TH STCITY/STATE/ZIP NEWCASTLE, WA 98059TELEPHONE NUMBER (425) 771-3651 / (C) 360-981-4010

The penalty for knowingly making or inviting reliance of any false, forged, or counterfeit statement, document, or thing for the purpose of influencing in any way the action of the Federal Deposit Insurance Corporation is a fine of not more than \$1,000,000 or imprisonment for not more than thirty years, or both (18 U.S.C. Section 1007).

## **ATTCHMENT TO Jin H. LEE**

### **Proof of claim**

MR. Lee has a claim for damage against WestSound Bank for the  
Improper retention of WestSound Bank stock as collateral for the loan  
WestSound made to East of Cascades Inc., DBA J&Y investment, LLC  
In or about August of 2005. The bank wrongly demanded WestSound Bank  
Stock owned by Mr. Lee as collateral for a loan made to J&Y Invest, LLC  
And thereafter failed and refused to permit Mr. Lee to liquidate any or all  
Of his WestSound Bank stock resulting in a financial loss of \$503,836 plus  
Interest.

# **EXHIBIT C**

**Federal Deposit Insurance Corporation as Receiver for:****10060 – WESTSOUND BANK BREMERTON, WA**

(Name of Bank/Financial Institution and Location)

**PROOF OF CLAIM**SSN/Tax ID # (1) 217-70-3936The undersigned, (2) YONG C. KANG  
(Name of person making the claim)says that the WESTSOUND BANK now in liquidation is  
(Name of Bank/Financial Institution)justly indebted to (3) East Of Cascades in the sum of  
(Individual/Joint/Corporation/Partnership/Firm/Agency)(4) \$ 368,739 plus interest Dollars upon the following Claim:

C L A I M S	Description of (invoice) claim:	Liability Number	Amount of Claim
	(5) <u>SEE ATTACHMENT</u>	<u>500000416-000</u>	<u>\$368,799.1</u>
		Total Claim: (6)	

The undersigned further states that he/she makes this claim on behalf of

(7) East Of Cascades

that no part of said debt has been paid, that

(8) East Of Cascades / YONG C. KANG  
(Individual/Joint/Corporation/Partnership/Firm/Agency)

has given no endorsement or assignment of the same or any part thereof, and that there is no set-off or counterclaim, or other legal or equitable defense to said claim or any part thereof.

NAME (9) YONG C. KANG President  
(Signature of Person making the Claim) (Title)FIRM EAST OF CASCADES Inc  
(If applicable)ADDRESS (10) 13714 SE 75TH STCITY/STATE/ZIP NEWCASTLE, WA 98059TELEPHONE NUMBER (425) 271-7651 / (C) 360-981-4010

The penalty for knowingly making or inviting reliance of any false, forged, or counterfeit statement, document, or thing for the purpose of influencing in any way the action of the Federal Deposit Insurance Corporation is a fine of not more than \$1,000,000 or imprisonment for not more than thirty years, or both (18 U.S.C. Section 1007).

**ATTACHMENT TO J&Y INVESTMENT, LLC  
PROOF OF CLAIM**

J&Y Investment, LLC has a claim for treble damages, attorneys' fees and costs pursuant to 12 U.S.C. § 1975 for violation of 12 U.S.C. § 1972(1)(C) and (D) (Bank Holding Company Act Anti-Tying Statute) stemming from WestSound Bank tying the providing of property rights and landlord services to WestSound Bank as a condition of making a loan to J&Y Investment, LLC in connection with a loan made by WestSound Bank to J&Y Investment, LLC on or about August of 2005. Damages are currently unknown and unliquidated. This claim does not replace or supercede claim no: 500000155-000 previously submitted.

# **EXHIBIT D**

**Federal Deposit Insurance Corporation as Receiver for:**

**10060 - WESTSOUND BANK BREMERTON, WA**

(Name of Bank/Financial Institution and Location)

**PROOF OF CLAIM**

SSN/Tax ID # (1) \_\_\_\_\_

The undersigned, (2) \_\_\_\_\_  
(Name of person making the claim)

says that the **WESTSOUND BANK** \_\_\_\_\_ now in liquidation is  
(Name of Bank/Financial Institution)

justly indebted to (3) **East Of Cascades** \_\_\_\_\_ in the sum of  
(Individual/Joint/Corporation/Partnership/Firm/Agency)

(4) \_\_\_\_\_ Dollars upon the following Claim:

	Description of (Invoice) claim:	Liability Number	Amount of Claim
C L A I M S	(5) _____	500000416-000	
	_____		
	_____	Total Claim: (6)	

The undersigned further states that he/she makes this claim on behalf of

(7) **East Of Cascades** \_\_\_\_\_

that no part of said debt has been paid, that

(8) **East Of Cascades** \_\_\_\_\_  
(Individual/Joint/Corporation/Partnership/Firm/Agency)

has given no endorsement or assignment of the same or any part thereof, and that there is no set-off or  
counterclaim, or other legal or equitable defense to said claim or any part thereof.

NAME (9) \_\_\_\_\_  
(Signature of Person making the Claim) (Title)

FIRM \_\_\_\_\_  
(If applicable)

ADDRESS (10) \_\_\_\_\_

CITY/STATE/ZIP \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_

The penalty for knowingly making or inviting reliance of any false, forged, or counterfeit statement, document, or thing for the purpose of influencing in any way the action of the Federal Deposit Insurance Corporation is a fine of not more than \$1,000,000 or imprisonment for not more than thirty years, or both (18 U.S.C. Section 1007).

RLS7212

ORIGINAL SIGNED AND  
SUBMITTED TO RECEIVER 3  
CLAIM # 50000416-000



**ATTACHMENT TO J&Y INVESTMENT, LLC  
PROOF OF CLAIM**

J&Y Investment, LLC has a claim for treble damages, attorneys' fees and costs pursuant to 12 U.S.C. § 1975 for violation of 12 U.S.C. § 1972(1)(C) and (D) (Bank Holding Company Act Anti-Tying Statute) stemming from WestSound Bank tying the providing of property rights and landlord services to WestSound Bank as a condition of making a loan to J&Y Investment, LLC in connection with a loan made by WestSound Bank to J&Y Investment, LLC on or about August of 2005. Damages are currently unknown and unliquidated. This claim does not replace or supercede claim no. 500000155-000 previously submitted.

# **EXHIBIT E**



Federal Deposit Insurance Corporation  
40 Pacifica, Irvine, CA 92618

Division of Resolutions and Receiverships

CERTIFIED MAIL 7003 0500 0005 1714 6377 -  
RETURN RECEIPT REQUESTED

August 24, 2009

East Of Cascades  
13714 SE 75th Street  
Newcastle, WA 98059

SUBJECT: 10060-WESTSOUND BANK  
BREMERTON, WA - In Receivership  
NOTICE OF DISALLOWANCE OF CLAIM

Dear Claimant:

The Receiver of WESTSOUND BANK has reviewed your claim against the receivership. After a thorough review of your filed claim along with your supporting documentation, the Receiver has determined to disallow your claim for the following reason(s):

**CLAIMS NOT PROVEN TO ACCEPTABILITY OF THE RECEIVERSHIP**

Pursuant to 12 U.S.C. Section 1821 (d) (6), if you do not agree with this disallowance, you have the right to file a lawsuit on your claim (or continue any lawsuit commenced before the appointment of the Receiver), in the United States District (or Territorial) Court for the District within which the failed institution's principal place of business was located or the United States District Court for the District of Columbia within 60 days from the date of this notice.

**IF YOU DO NOT FILE A LAWSUIT (or continue any lawsuit commenced before the appointment of the Receiver) BEFORE THE END OF THE 60-DAY PERIOD, THE DISALLOWANCE WILL BE FINAL, YOUR CLAIM WILL BE FOREVER BARRED AND YOU WILL HAVE NO FURTHER RIGHTS OR REMEDIES WITH RESPECT TO YOUR CLAIM. 12 U.S.C. Section 1821(d)(6)(B).**

However, if a portion of your claim is for an insured deposit, your claim is not against the Receiver but rather is against the FDIC in its "corporate" capacity as deposit insurer. An insured depositor's rights are prescribed in 12 U.S.C. Section 1821(f) and differ from the rights described in the preceding paragraphs.

If you have any questions about this letter, please contact the undersigned at (949) 208-6700.

Sincerely,

A handwritten signature in black ink, appearing to read "V. K. L." followed by a stylized flourish.

Claims Agent  
Claims Department